

REPORT OF THE
OFFICE OF THE AUDITOR GENERAL
TO THE
JOINT LEGISLATIVE AUDIT COMMITTEE

862.3

DEPARTMENT OF JUSTICE
ORGANIZED CRIME AND CRIMINAL INTELLIGENCE BUREAU

SEPTEMBER 1979



California Legislature

Joint Legislative Audit Committee

GOVERNMENT CODE SECTION 10500 et al

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September 19, 1979

862.3

The Honorable Speaker of the Assembly
The Honorable President pro Tempore of the Senate
The Honorable Members of the Senate and the
Assembly of the Legislature of California

Members of the Legislature:

Your Joint Legislative Audit Committee respectfully submits the Auditor General's report on the Department of Justice's Organized Crime and Criminal Intelligence Bureau (OCCIB).

The report describes OCCIB's intelligence programs, services, and accomplishments. It discusses the difficulty of measuring the effectiveness of intelligence services. In addition, results data (i.e., number of arrests, prosecutions) for years 1975 through 1978 are presented.

We also provide information concerning the establishment of a special prosecutions unit. The purpose of this unit is to increase the number of organized crime prosecutions.

The auditors are William M. Zimmerling, CPA, Supervising Auditor; Thomas A. Britting; Jeffrey L. Mikles; and Cora L. Bryant.

Respectfully submitted,

RICHARD ROBINSON
Assemblyman, 72nd District
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SUMMARY

The Government Code requires the Department of Justice (DOJ) to control and eradicate organized crime in California. To accomplish this task, the department's Organized Crime and Criminal Intelligence Bureau (OCCIB) provides intelligence information and services to many law enforcement agencies. By conducting a survey of these agencies, we found that OCCIB, whose 1978-79 expenditures totalled approximately \$3.1 million, has effectively provided them with reliable information and services.

Since OCCIB's emphasis is on intelligence rather than enforcement activities, it is difficult to accurately assess its effectiveness in curtailing organized crime. For purposes of this review, we measured OCCIB's effectiveness by the number of arrests, prosecutions, or other positive actions that resulted from other agencies' use of OCCIB information and services. Between 1975 and 1978, OCCIB responded to over 55,000 agency requests. These responses resulted in over 5,000 arrests and approximately 160 prosecutions. The cost of OCCIB's operation during this period was approximately \$7.1 million.

State statute requires the Department of Justice to conduct an organized crime prosecution program. However, no such program currently exists. Initially, OCCIB sought prosecutions by referring information to DOJ's legal staff. This program was eliminated in 1973 because of several limitations, including lack of statutory authority for conducting electronic surveillance, for prosecuting racketeers, and for guaranteeing informants' use immunity.

The Attorney General is presently establishing a special unit to prosecute organized crime even though these constraints have not been eliminated. The Legislature may want to consider requiring the Attorney General to periodically report on the progress and accomplishments of the special prosecutions unit.

INTRODUCTION

In response to a request of the Joint Legislative Audit Committee, we reviewed the Department of Justice's Organized Crime and Criminal Intelligence Bureau (OCCIB). This review was conducted under the authority vested in the Auditor General by Government Code Section 10527. Since this is intended to be an informational report, it contains no recommendations.

The Department of Justice (DOJ), through the constitutional office of the Attorney General, provides law enforcement agencies with legal, investigative, criminalistic, and informational services. These services are used to eradicate and control organized crime, which DOJ defines as "two or more persons who, with continuity of purpose, engage in the perpetration of illegal activities."

To combat organized crime, Government Code Section 15025 requires DOJ to:

- Gather, analyze, store, and disseminate intelligence;
- Supply this intelligence to local, state, and federal law enforcement units:

- Train local agencies to combat organized crime;
- Provide specialized equipment (such as photographic and surveillance equipment) and personnel to assist local, state, and federal agencies in combating organized crime;
- Conduct continuous analysis and research to determine current and projected organized crime activity in California; and
- Initiate and participate in the prosecution of individuals and groups involved in organized crime activities.

Program Administration and Delivery

Government Code Section 15027 requires DOJ to divide these above functions into five programs: (1) operations and training, (2) intelligence, (3) long-range intelligence research, (4) investigation, and (5) prosecution. Units within DOJ's Division of Law Enforcement are responsible for conducting these programs, except for the prosecution segment. The division's Executive Office is responsible for overall division administration. The Advanced Training Center provides the training function and the Bureau of Investigation conducts the investigation program. The Organized Crime and Criminal Intelligence Bureau operates the intelligence and long-range intelligence research programs.

Scope of Review

This report describes OCCIB programs, services, and accomplishments. Accomplishments are reported as the number of arrests, prosecutions, or other positive actions resulting from OCCIB's services to local, state, and federal law enforcement agencies.

We interviewed Department of Justice staff and surveyed a sample of 36 state departments and law enforcement agencies that have used OCCIB services. In addition, we reviewed pertinent reports and tested the reliability of OCCIB's Branch Evaluation System (BES) which provides management with program evaluation data.

BACKGROUND: OCCIB

Within this section, we describe the development, funding, and organization of the Organized Crime and Criminal Intelligence Bureau as well as its approach to providing intelligence services throughout the State.

Development of OCCIB

OCCIB evolved from the Organized Crime Unit which was established in 1967. In fiscal year 1971-72, federal funds augmented the unit's resources, allowing for the addition of approximately 25 positions. Consequently, the unit was reorganized and entitled the Organized Crime and Criminal Intelligence Branch. On July 2, 1979, the Division of Law Enforcement was reorganized and OCCIB was designated a bureau and merged with the Bureaus of Narcotics Enforcement, Investigation, and Forensic Services to form a new Investigation and Enforcement Branch.

Funding

OCCIB is state-financed with the exception of the member agency-supported Interstate Organized Crime Index and the Law Enforcement Assistance Administration-funded Witness Protection Program. The following table summarizes the department, division, and OCCIB expenditures for fiscal years 1975-76 through 1978-79.

DEPARTMENT OF JUSTICE, DIVISION OF LAW ENFORCEMENT
AND OCCIB EXPENDITURES
1975-76 THROUGH 1978-79

	<u>Actual</u> <u>1975-76</u>	<u>Actual</u> <u>1976-77</u>	<u>Actual</u> <u>1977-78</u>	<u>Estimated</u> <u>1978-79</u>
Department	\$69,606,000	\$74,715,000	\$83,890,000	\$90,559,000
Division	40,614,000	43,643,000	47,078,000	49,538,000
% of Department	58.3%	58.4%	56.1%	54.7%
OCCIB	2,094,000	2,384,000	2,638,000	3,126,000
% of Division	5.2%	5.5%	5.6%	6.3%

Source: Governor's Budget for 1977-78 through 1979-80.

Organization of OCCIB

OCCIB consists of 112 employees divided into two sections--Field Operations and Criminal Intelligence. The Field Operations Section collects criminal intelligence data and assists state and local law enforcement agencies in combating organized crime. The Criminal Intelligence Section analyzes organized crime trends and serves as a statewide clearinghouse for criminal intelligence data.

Specifically, OCCIB collects information on these types of criminal activities:

- Racketeering (planning and executing a variety of organized crime activities for profit);

- Vice operations (narcotics, prostitution, loan sharking, gambling);
- Theft/fence rings (burglary, car theft, fraud, fraudulent documents);
- Gangs (prison gangs, outlaw motorcycle gangs, youth gangs); and
- Terrorists (bombings, hijackings, extortion, threats, assassination).

Intelligence Approach

The intelligence process involves converting numerous items of information from multiple sources into data useful for law enforcement purposes. This process includes collection, collation, analysis, storage, and dissemination of information.

OCCIB uses an agent/analyst team approach to assist local agencies in identifying, apprehending, and prosecuting suspects. Agents gather the information while analysts evaluate and interpret it to determine the character and scope of organized crime in the State. The results are then disseminated to law enforcement agencies through direct contacts, conferences, and special publications.

Intelligence Services

OCCIB operates 14 programs which provide intelligence services to local, state, and federal law enforcement agencies. These programs range from administering and coordinating services to providing agencies with criminal analysis and tactical support. Appendix A details the programs and services which OCCIB offers.

STUDY RESULTS

ORGANIZED CRIME AND CRIMINAL INTELLIGENCE BUREAU ACCOMPLISHMENTS

The effectiveness of the Organized Crime and Criminal Intelligence Bureau's (OCCIB) intelligence process and services to law enforcement agencies is difficult to evaluate. A primary evaluation issue is determining how to accurately measure the amount each information item or service contributes to an arrest, conviction, or other positive end result. However, one method of measuring effectiveness is to examine how often information and services are requested from OCCIB and how successfully it meets requestors' needs.

Data Limitations

Although OCCIB has provided assistance and information to numerous agencies, results data are not totally conclusive. A data limitation exists because DOJ does not require agencies using OCCIB services to report on the results or benefits of services received, except when requestors use specialized equipment. In all other cases, results data are obtained solely from input which agencies voluntarily submit.

Data pertaining to the use of specialized equipment is more readily available because OCCIB requests the agencies to evaluate the equipment performance. Upon return of the equipment, the user agencies complete an evaluation form which indicates if the use of the equipment resulted in any arrests or anticipated arrests.

The results data is stored in the Branch Evaluation System (BES). We tested the data within this system and found it to be accurate and reliable. The following table displays BES results data for calendar years 1975 to 1978.

<u>Type of Result</u>	<u>Total (Known Results)^{a/}</u>				
	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>TOTALS</u>
Direct Agency Responses	17,010	15,078	9,900	13,400	55,388
Arrests	878	1,337	1,065	1,733	5,013
Prosecutions	47	27	13	76	163
Correlations of Cases ^{b/}	1,490	1,179	1,200	2,214	6,083
Criminal Activity Identified	687	701	513	4,126	6,027
Individuals/Suspects Identified	2,858	2,429	2,435	5,365	13,087
Wanted Persons Identified	116	65	116	28	325
Persons Trained	N/A	N/A	600	1,700	2,300

a/ Results of cases in which OCCIB provided assistance or information.

b/ Modus operandi correlations--characteristics of criminal operational methods are compared.

Results of Agencies Surveyed

In addition to using BES data, we surveyed 36 user agencies to determine how frequently and how effectively OCCIB is providing intelligence information and services to law enforcement agencies.* These agencies are catalogued in Appendix B. Based on our survey, we concluded that OCCIB is effectively providing reliable information and services to those agencies contacted.

The survey sample, drawn from BES time-reporting forms, included California police and sheriff departments, other state departments, and local district attorneys; federal agencies; and out-of-state police agencies. The agencies reported that they used OCCIB services from once per month to daily and that OCCIB processed requests from within one hour to 48 hours. Below are listed the services they used most often:

<u>Type of Service</u>	<u>Number of Agencies**</u>
Criminal information background	31
Specialized equipment pool	16
California narcotics information network	7
Telephone and link analysis	4
Motorcycle/prison gang identification	4
Forgery identification	3

* Not all agencies responded to all the survey questions.

** Agencies may be using more than one service.

During the survey, agencies were also asked for suggestions which could improve OCCIB's performance. Nineteen agencies claimed that improvements were unnecessary; five wanted more OCCIB staff assigned to the field. In addition, four agencies desired more training course offerings, and four contended that OCCIB should apprise more law enforcement agencies of its services.

Intelligence Follow-up

OCCIB's past efforts to evaluate the results of intelligence information and services have not been fruitful; however, our survey identified several alternative follow-up methods. In the past, OCCIB attempted to collect results data by periodically sampling user agencies. This method was discontinued because the data received were often incomplete or the agencies were reluctant to give OCCIB credit for action taken. As a result, OCCIB is not conducting active follow-up.

The results of our survey indicate several follow-up alternatives. Sixteen of the 34 agencies responding to the question concerning follow-up activities indicated that they would be willing to complete a brief quarterly or semi-annual results questionnaire. In addition, two agencies suggested that OCCIB request agencies to call in results. Fourteen agencies, however, claimed that it is administratively impossible or not cost effective for OCCIB to follow up on intelligence activities.

Constraints Upon Prosecutions

In 1972, OCCIB initially sought to obtain convictions of organized crime figures by using teams of deputy attorneys general and agents. However, in 1973, DOJ terminated this practice because of several constraints:

- District attorneys are reluctant to relinquish to the Attorney General investigations and prosecutions in their jurisdictions;
- No state grand jury exists; and
- There is no statutory authority (1) to allow electronic surveillance in complex investigations, (2) to guarantee informants use immunity from prosecution, or (3) to facilitate the prosecution of suspected racketeers.

According to DOJ officials, none of these prosecution constraints have been eliminated.

Special Prosecutions Unit

In June 1979, the Attorney General's Office began developing a special prosecutions unit. The unit's purpose is to investigate and prosecute organized crime groups, such as syndicated organizations; prison, outlaw motorcycle, and terrorist groups; and major drug traffickers. The unit is expected to be operational by September 1979.

Attorney General staff and special agents will compose the unit; they will report to the Senior Assistant Attorney General in charge of this unit. As currently planned, staffing will consist of one supervising special agent, twelve special agents, and six deputy attorneys general. Six teams will be formed, each consisting of one deputy attorney general and two special agents. The teams will be located in Sacramento, San Francisco, Los Angeles, and San Diego.


CONCLUSION

Our review disclosed that since OCCIB plays an intelligence rather than enforcement role in curtailing organized crime, it is difficult to accurately measure the effectiveness of its operations. Over the past four years, OCCIB has responded to over 55,000 agency requests. These responses have resulted in approximately 5,000 arrests and 160 prosecutions. A survey of 36 agencies using OCCIB services indicated that OCCIB has effectively provided them with reliable information and services. In addition, a special prosecutions unit is being established to increase prosecutions of organized crime targets; however, several constraints to prosecution still exist.

MATTERS FOR CONSIDERATION BY THE LEGISLATURE

We believe that the Legislature may want to require DOJ to periodically report on the progress and accomplishments of the special prosecutions unit, since none of the prosecution constraints previously encountered by OCCIB in 1973 have been removed.

Respectfully submitted,


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Date: September 13, 1979

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RESPONSE TO THE AUDITOR GENERAL'S REPORT

This report was discussed with Department of Justice officials on September 6, 1979. Department officials concurred with the information in the report and felt that a written response was not necessary.

OCCIB PROGRAMS AND SERVICES

- (1) Administration--This program provides the general administrative support to maintain and fulfill branch and bureau objectives. Specific activities include supervision, policy and planning direction, resource allocation, budget preparation and expenditure control, personnel and purchasing transactions, space management, maintenance of equipment, and inventory records.
- (2) Criminal Intelligence Processing and Analysis Administration--This program provides policy direction, planning, control, and administrative support for programs such as fencing/burglary, organized crime and analysis, homicide, records, and fraud/forgery.
- (3) Fraud/Forgery--This program collects, analyzes, and evaluates methods of operations and criminal intelligence; it also assists local law enforcement agencies in identifying, investigating, apprehending, and prosecuting criminals involved in fraud and forgery operations in California and surrounding states.
- (4) Organized Crime Analysis--This program is specifically formed under Government Code 15025 to gather, analyze, store, and disseminate tactical and strategical information regarding traditional and classic organized cr

crime figures and activities. Program activities include tactical support, which responds to direct requests for criminal history and intelligence information; special projects, which require extensive background and research; link diagrams; and telephone toll analyses.

- (5) Records--This program supports other OCCIB functions by providing these services:

- (a) Title system maintenance and improvement
- (b) Newspaper clipping service
- (c) Crime report processing
- (d) Branch reception duties
- (e) Director's daily press items
- (f) Duty officer responsibilities.

- (6) Homicide Analysis--This program provides to agencies a data base for locating potential suspects in unsolved homicide cases; it also supplies visual aids for investigations and prosecutions.

- (7) Fencing/Burglary--This program directly assists local agencies in recovering stolen property.

- (8) California Narcotic Information Network (CNIN)--This program is designed to control the State's expanding narcotic problem by creating a statewide exchange of information on major drug dealers and traffickers. (Under the new reorganization, CNIN is under the Bureau of Narcotic Enforcement.)
- (9) Research and Analysis--This program conducts research projects on special organized crime topics, develops innovative techniques for criminal intelligence analysis, serves as the control center for electronic data processing, and monitors procedures for evaluating the effectiveness of OCCIB.
- (10) Field Intelligence Unit--This unit consists of 13 special agents who assist local agencies in organized crime investigations, maintain liaison with outside agencies, conduct investigations on organized crime suspects, and provide information to branch analysts for further processing and dissemination.
- (11) Threat Analysis Center--This program is designed to provide police agencies with a centralized criminal intelligence system for analyzing threats. The necessary data base is developed to provide information on threatmakers and their methods of operation.

(12) Central Coordinating Section (CCS)--This unit functions as the Central Coordinating Agency for the Law Enforcement Intelligence Unit network (LEIU)--a national membership organization formed to keep law enforcement officials apprised of the whereabouts and activities of known criminal subjects. CCS also coordinates the Regional Intelligence Unit System (RIU) which is comparable to LEIU, except that RIU's non-fee membership shares intelligence information within California. Other CCS responsibilities include: audio-visual and graphic art support, administration of the bureau training program, and support activities such as security and printing coordination.

(13) Tactical Support--This program was formed to assist local agencies in developing and exchanging information on organized crime problems such as terrorism, outlaw motorcycle, and prison gangs.

(14) Resource Pool--This unit supplies specialized surveillance equipment and personnel to assist local, state, and federal law enforcement agencies in combating organized crime.

USER AGENCIES SURVEYED

Police Departments and Sheriffs' Offices

- Arvin PD
- Berkeley PD
- Contra Costa County SO
- Eureka PD
- Hayward PD
- Laguna Beach PD
- Lakeport County SO
- Manteca PD
- Modesto PD
- Mountain View PD
- Newport Beach PD
- Oakland PD
- Ontario PD
- Pacifica PD
- Palm Springs PD
- Pasadena PD
- Sacramento County SO
- San Bernardino County SO
- San Diego County SO
- San Francisco PD

- San Jose PD
- Santa Barbara County SO
- Tulare County SO

State Departments

- California Highway Patrol
- Department of Corrections
- Department of Motor Vehicles

District Attorney

- Los Angeles County DA
- San Diego County DA
- San Francisco County DA
- Santa Clara County DA

Federal Agencies

- FBI--Los Angeles and Sacramento
- Internal Revenue Service--San Francisco

Out-of-State Law Enforcement Agencies

- Arizona State Police
- Chicago, Illinois PD
- Iowa State Police
- Michigan State Police
- Reno, Nevada PD

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